

Water Use Efficiency Handout

December 9, 1998

WUE Agricultural Program Overview

The Focus Group is developing a program structured around four broad elements. These elements – listed below and enumerated in greater detail in the accompanying section on action steps – are mutually supporting and are presented as a package.

- Incentives. Develop, in consultation with the Agricultural Water Management Council, a program of technical and financial incentives for the implementation of water use efficiency measures in the agricultural sector. **The financial incentives should generally take the form of loans for actions or activities that have been identified as cost-effective for the district in a water management plan approved by the Agricultural Water Management Council. The financial incentives should generally take the form of incentive grants for water use efficiency measures that are supplemental to measures that are cost-effective at the district level.**
- A locally tailored program that incorporates the work of AB3616.
- Measurable objectives. Measurable objectives are objectives for improvements in water management, which can be measured or otherwise tracked to assure that such improvements occur. Objectives will include outcome indicators based on actual water use. Objectives must result in reduced demand on Bay-Delta systems, in increased water quantity or improved timing of instream flow or other specific CALFED objectives.
- Assurances. Assurances will play a critical role in the Water Use Efficiency Program element. The assurance mechanisms are structured to ensure that urban, agricultural, and refuge water users implement the appropriate efficiency measures.

Stage 1 Action on AWMC

AWMC Evaluation of Agricultural Water Management Plans. Utilize the AB3616 Agriculture Water Management Council (AWMC) to evaluate and endorse plans to implement cost-effective water management practices by agricultural districts. Identify and secure ongoing funding sources for AWMC and its members seeking to actively participate in the development, review, and implementation of these plans. Candidate activities include: administration, including staff, of the AWMC itself; implementation of approved practices; and participation by individual signatories. Access to CALFED benefits for a given agricultural district will be contingent upon AWMC's endorsement of the adequacy of its water management plan and implementation. Submit to state and federal legislatures requests for funding this program at an annual rate of \$___ million (Yrs. 1-7).

WUE Agricultural Strategic Plan Overview

Before finalizing the CALFED Program, CALFED will develop a Strategic Plan for Agricultural Water Use Efficiency. The purpose of the Plan will be to articulate a prioritized, strategic, aggressive program for the achievement of efficient water management for all purposes throughout the many different agricultural regions of the state. The plan will focus in detail on specified regions, basins, and districts on a prioritized basis. The plan will draw on the work of local agencies and other sources to assess:

- what efficient practices are already being carried out;
- identify additional opportunities for improved water management;
- recommend goals; and,
- recommend incentives and other means to overcome any barriers to adoption of more efficient water management practices.

The Strategic Plan is to be developed by the end of 1999. A facilitated process for such development, including non-agency stakeholders, will be undertaken.

Stage 1 Action on Developing Measurable Objectives

Develop Measurable Objectives: Prior to the ROD, develop measurable objectives for agricultural water use efficiency. Measurable objectives are objectives for improvements in water management, which can be measured or otherwise tracked to assure that such improvements occur. Objectives will include outcome indicators based on actual water use. Objectives must result in reduced demand on Bay-Delta systems, in increased water quantity or improved timing of instream flow or other specific CALFED objectives. Objectives may vary by region. Submit to state and federal legislatures requests for funding this program at an annual rate of \$___ million.

Stage 1 Action on Financial Incentive Program

Agricultural Financial Incentive Program: Develop, in consultation with the Agricultural Water Management Council, a program of technical and financial incentives for the implementation of water use efficiency measures in agricultural sector. This program will consider several factors, including: (a) potential for reducing irrecoverable water losses; (b) potential for attaining environmental and/or water quality benefits from water use efficiency measures which result in reduced diversions; (c) regional variation in water management options and opportunities; (d) availability and cost of alternative water supplies; and (e) whether the recipient area experiences recurrent water shortages [due to regulatory or hydrological restrictions]. **The financial incentives should generally take the form of loans for actions or activities that have been identified as cost-effective for the district in a water management plan approved by the Agricultural Water Management Council. The financial incentives should generally take the form of incentive grants for water use efficiency measures that are supplemental to measures that are cost-effective at the district level. The program will be administered jointly by appropriate state and federal agencies. Funding for this program should total \$700 million during Stage 1, with funding amount increasing throughout Stage 1 as the program is developed and implemented. Funds will be provided by state and federal agencies from appropriations and/or bond measure proceeds pursuant to a cost-share agreement to be developed before the Record of Decision. (Yr 1-7).**